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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report
Under Section 13 or 15(d) of the
Securities Exchange Act of 1934

For Quarter Ended
February 29, 1992

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BASSETT FURNITURE INDUSTRIES, INCORPORATED
(Exact name of registrant as specified in its charter)

VIRGINIA
(State or other jurisdiction of incorporation or organization)

0-209
(Commission File Number)

54-0135270
(IRS Employer Identification No.)

Bassett, Virginia
(Address of principal executive offices)

24055
(Zip Code)

(703) 629-6000
(Registrant's telephone number, including a

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 30 days.

YES X NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock - $5.00 Par Value - 7,690,595 shares at February 29, 1992.

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PART I - FINANCIAL INFORMATION

BASSETT FURNITURE INDUSTRIES, INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS - UNAUDITED

	Three Months Ended February 29 (28),	
	1992	1991
Net sales	$106,376,467	$ 89,275,742
Operating costs and expenses:		
Cost of goods sold	88,300,031	76,084,342
Selling, general and administrative	13,219,338	13,200,295
	101,519,369	89,284,637
INCOME (LOSS) FROM OPERATIONS	4,857,098	(8,895)
Other income	3,055,656	2,457,763
Other deductions	(68,773)	(55,125)
Net unrealized gain on marketable securities	1,224,796	0
INCOME BEFORE INCOME TAXES	9,068,777	2,393,743
Income taxes	2,821,000	386,000
NET INCOME	6,247,777	2,007,743
RETAINED EARNINGS - beginning of period	250,798,846	238,661,381
	257,046,623	240,669,124
Cash dividends declared	(1,922,649)	(1,927,649)
Treasury stock retired	(33,717,005)	0
RETAINED EARNINGS - end of period	$221,406,969	$238,741,475
NET INCOME PER SHARE (1)	$ 0.81	$ 0.26
DIVIDENDS PER SHARE	$ 0.25	$ 0.25

NOTE:

(1) Per share amounts are based on 7,683,448 and 7,710,913 weighted average number of shares outstanding at February 29 (28), 1992 and 1991, respectively.

BASSETT FURNITURE INDUSTRIES, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

ASSETS	February 29, 1992	November 30, 1991
Current Assets		
Cash and cash equivalents	$ 53,419,847	$ 44,622,029
Marketable securities	0	29,378,955
Trade accounts receivable, less allowances for doubtful accounts and discounts	63,326,443	67,677,661
Inventories:		
Finished goods	33,240,196	34,273,711
Work in process	13,935,326	12,202,414
Raw materials and supplies	30,491,682	27,303,440
	77,667,204	73,779,565
LIFO adjustment	(19,129,000)	(18,854,000)
	58,538,204	54,925,565
Prepaid expenses	1,935,963	2,843,710
Deferred income taxes	1,451,000	2,122,000
CURRENT ASSETS	178,671,457	201,569,920
Property, Plant and Equipment		
Cost	196,403,461	194,121,230
Less allowances for depreciation	139,887,659	137,804,105
	56,515,802	56,317,125
Other Assets		
Investments in affiliated companies	25,404,494	24,689,886
Noncurrent marketable securities	29,101,695	0
Other	8,686,939	8,682,365
	63,193,128	33,372,251
	$298,380,387	$291,259,296

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 24,702,911	$ 22,355,370
Accrued compensation	4,090,606	5,233,277
Income taxes	2,361,674	1,399,713
CURRENT LIABILITIES	31,155,191	28,988,360
Deferred Liabilities	7,365,252	7,165,339
Stockholders' Equity		
Common stock	38,452,975	47,864,840
Additional capital	0	7,993,618
Retained earnings	221,406,969	250,798,846
Cost of common stock in treasury	0	(51,551,707)
	259,859,944	255,105,597
	$298,380,387	$291,259,296

PART I - FINANCIAL INFORMATION - CONTINUED
BASSETT FURNITURE INDUSTRIES, INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

	Three Months Ended February 29 (28),	
	1992	1991
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 9,487,309	$ 7,140,126
INVESTING ACTIVITIES		
Changes (net) in marketable securities	1,845,269	(57,823)
Changes (net) in other noncurrent securities	1,662,823	(500,000)
Purchases of property, plant and equipment	(2,355,731)	(1,576,730)
Proceeds from sale of property, plant and equipment	19,850	303,859
Other	12,877	(36,822)
	1,185,088	(1,867,516)
FINANCING ACTIVITIES		
Exercise of stock options	48,070	110
Purchases of treasury stock	0	(421,744)
Cash dividends	(1,922,649)	(1,927,649)
	(1,874,579)	(2,349,283)
CHANGE IN CASH AND CASH EQUIVALENTS	8,797,818	2,923,327
CASH AND CASH EQUIVALENTS -beginning of period	44,622,029	31,189,484
CASH AND CASH EQUIVALENTS - end of period	$53,419,847	$34,112,811

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and footnotes required by generally accepted accounting principals for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net sales for the first quarter were $106.4 million, an increase of $17.1 million or 19% over 1991. Net income for the quarter was $6,248,000, compared to $2,008,000 in 1991. Gross profit increased $4,885,000 (37%) in 1992, to $18,076,000. The gross profit margin increased to 17.0% for the 1992 first quarter compared to 14.8% in 1991. Selling, general and administrative expenses remained level with 1991, but the percentage to net sales decreased to 12.4% compared to 14.8% in 1991. Income from operations increased from a loss of $8,000 in 1991 to income of $4,857,000 in 1992.

Net sales increased in all major Divisions in 1992, with significant improvement in the soft goods segment of the Company, and especially in the Motion and Upholstery Divisions. Both the wood products and soft goods divisions generated increased income from operations in 1992. The improvements were equally significant in each segment.

The credit worthiness of many of our customers continues to be a major problem. We increased our allowances for doubtful accounts to $1,720,000 as of February 29, 1992. The charge to profits for credit losses for 1992 and 1991 was approximately the same.

The increase in other income came from realized gains from sales of securities. The improvement in market prices during the quarter of the securities held in our portfolio of marketable securities caused a reduction in the balance of the reserve for unrealized losses in the amount of $1,225,000. This amount has been reflected in the determination of net income under the caption "net unrealized gain on marketable securities".

Net cash provided by operating activities for the 1992 first quarter ($9,487,000) is deemed sufficient for the capital expenditure and operating needs of the Company. Anticipated future expenditures for property, plant and equipment are immaterial.

The current ratio at February 29, 1992 was 5.73 compared to 6.95 at November 30, 1991 and 9.24 at February 28, 1991. During the 1992 quarter, we reclassified the portfolio of marketable securities from a current to a noncurrent asset classification which is more descriptive of the characteristics of the portfolio.

The work schedules at our wood products plants are still not at full production levels and the current incoming order rate does not indicate any change in the immediate future. The soft goods facilities are operating on full work schedules. Even though we experienced an improvement in our operations in the first quarter, we are still challenged by the economic conditions brought about by this recession.

PART II - OTHER INFORMATION
BASSETT FURNITURE INDUSTRIES, INCORPORATED AND SUBSIDIARIES

ITEM 6 (b). REPORTS ON FORM 8-K

1. Report on Form 8-K dated February 24, 1992 reporting a 3-for-2 stock split to be distributed April 6, to holders of record on March 16.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BASSETT FURNITURE INDUSTRIES, INCORPORATED

Robert H. Spilman, Chairman of the Board, and Chief Executive Officer

DATE: April 6, 1992

Philip E. Beekley, Vice President, Controller (Chief Accounting Officer)

DATE: April 6, 1992